



CAMFIN s.p.a.

PRESS RELEASE

**CAMFIN SPA BOARD OF DIRECTORS APPROVES QUARTERLY REPROT  
AT 31 MARCH 2006:**

**CONSOLIDATED PRE-TAX INCOME: €15.5 MN, MORE THAN DOUBLE  
THE €7.4 MN IN 1Q 2005**

**NET INCOME FROM INVESTMENTS: €20.2 MN, +41.2% (€14.3 MN IN  
1Q 2005)**

**DEBT/EQUITY RATIO 0.51, AN IMPROVEMENT OVER THE 0.56 AT  
THE END OF 2005**

**CONSOLIDATED RESULT FOR 2006 EXPECTED TO BE AT LEAST IN  
LINE WITH THE PRECEDING YEAR**

*Milan, 11 May 2006* – The Board of Directors of Camfin S.p.A. met today and approved the quarterly report at 31 March 2006.

**Group operating performance in first quarter 2006**

The results of the Camfin Group at 31 March 2006 and comparison periods were prepared using IAS/IFRS accounting standards and, in addition to the traditional schedules required by Legislative Decree 127/91 and the Consob (Stock Exchange Regulatory Authority hereinafter referred to as “Consob”) Resolution dated 14 April 2005, Camfin has prepared a set of **abridged consolidated financial statements** in which financial holding companies are consolidated on a line-by-line basis and operating and associated companies are carried at net equity.

In the first quarter of 2006, the Camfin Group was able to consolidate the positive trend begun last year registering results that show **significant growth**.

**Net income from equity investments** at 31 March 2006 equal **€20.2 million (mn)**, an increase of **41.2%** versus the €14.3 mn in first quarter 2005. This result is primarily attributable to the interest held in **Pirelli & C. S.p.A.**, whose contribution, in fact, rose to **€18.4 mn** from €15.3 mn in first quarter 2005. The contribution from trading income is also positive at €0.9 mn versus a negative €1.1 mn in first quarter 2005.

**Pre-tax income more than doubled**, jumping from €7.4 mn to €15.5 mn, also thanks to lower financial charges that dropped from €5.7 to €3.3 mn net valuation of hedging instruments.

**Financial fixed assets** total €1,485 mn versus €1,422 mn at the end of 2005, primarily due to the positive results of Pirelli & C. S.p.A.. At 31 March 2006, the equity investment held by the Camfin Group in Pirelli & C. S.p.A. equaled n. 1,324,816,673 shares, circa 25.57% of the ordinary share capital. In addition to this interest, the Group also holds *Put & Call* options that would allow for the purchase of an additional 0.85% in Pirelli & C.'s ordinary capital.

The Camfin Group's share of **shareholders' equity** was €989.5 million, an increase of €73 million with respect to the shareholders' equity at the end of 2005. The change is mainly due to the positive net income for the period, the effects of the capital increase for some €14.9 mn and an increase in Camfin's portion of Pirelli & C (€42.8 million) resulting from the net equity valuation of the associated company.

**Net consolidated financial position** fell from €517 mn at 31 December 2005 to €508 mn, while the *debt/equity* ratio fell from 0.56 to 0.51.

Attached is the **reconciliation between the net financial position** of the holding system and full consolidated debt.

### **Significant events subsequent to quarter end**

- In the month of April the expiration of the above mentioned *Put & Call* options on Pirelli & C shares, equal to 0.85% of ordinary share capital in circulation, was extended through December 2007.
- At 18 April 2006 a total of n. 76,015,532 Camfin 2003-2006 warrants (equal to 70.94% of the warrants issued) were subscribed, and an additional n. 31,132,124 warrants are freely circulating on the market. Subsequently, share capital is now €187,223,471.24, equal to 360,045,137 shares with a par value of €0.52 each.

### **Outlook for the current fiscal year**

The 2006 operating trend indicates that the consolidated results for the year will be at least in line with the previous year.

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Camfin Press Office – Tel. +39 02 85354270

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*Attached are the abridged income statement and balance sheet at 31 March 2006.*

Attachment 1

<b>Abridged consolidated income statement (*)</b>		
<i>in €/000</i>		
	<b>31-03-2006</b>	<b>31-03-2005</b>
Group's share of investments carried at equity	19.311	15.466
Impairment of equity investments	-	-
Trading income	900	(1.140)
<b>Net income from equity investments</b>	<b>20.211</b>	<b>14.326</b>
Other financial charges	(3.254)	(5.677)
Net overheads (including property management)	(1.498)	(1.218)
<b>Pre-tax income/(loss)</b>	<b>15.459</b>	<b>7.431</b>

*\* Financial holding and service companies are consolidated on a line-by-line basis and operating and associated companies are carried at net equity*

<b>Abridged consolidated balance sheet (*)</b>		
<i>in €/000</i>		
	<b>31-03-2006</b>	<b>31-12-2005</b>
Fixed financial assets	1.485.443	1.422.292
Property, plant and equipment	1.927	2.237
Intangible assets	403	411
Net working capital	12.373	10.713
	<b>1.500.146</b>	<b>1.435.653</b>
Capital and reserves (**)	989.546	916.425
Provisions	2.522	2.464
Net financial position	508.078	516.764
	<b>1.500.146</b>	<b>1.435.653</b>

*(\*) Financial holding and service companies are consolidated on a line-by-line basis and operating and associated companies are carried at net equity*

*(\*\*) Capital and reserves at 31 March 2006 includes pre-tax income for the period*

Attachment 2

**Reconciliation between "Holding System's" net financial position and full consolidated debt:**

<b>Reconciliation between "holding system's" net financial position and full consolidated debt</b>		
<i>in €/000</i>	<b>31-03-2006</b>	<b>31-12-2005</b>
<b>Consolidated net financial position of holding companies</b>	<b>(508.078)</b>	<b>(516.764)</b>
Operating companies' net financial positions		
Cam Gas S.p.A.	(11.000)	(2.647)
Cam Immobiliare S.p.A.	(26.006)	(26.240)
Cam Marine & Trading S.r.l. (già Cam Marine S.r.l.)	33	(433)
Perhopolis S.r.l. (già Progetto Assago S.r.l.)	2.334	2.428
<b>Full consolidated debt</b>	<b>(542.717)</b>	<b>(543.656)</b>